

JAN 23 2009

**FEDERAL ELECTION COMMISSION  
999 E Street, N.W.  
Washington, D.C. 20463**

**FIRST GENERAL COUNSEL'S REPORT**

MUR: 6050  
DATE RECEIVED: August 13, 2008  
DATE ACTIVATED: October 28, 2008  
EXPIRATION OF SOL: March 2013

COMPLAINANTS: Chester L. Guinn, et al.

RESPONDENTS: Boswell for Congress and Carl McGuire,  
in his official capacity as treasurer  
Independent Voices

RELEVANT STATUTES: 2 U.S.C. § 434(b)  
2 U.S.C. § 441a(a)  
2 U.S.C. § 441a(f)  
11 C.F.R. § 100.29  
11 C.F.R. § 109.21  
11 C.F.R. § 110.2

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

1 **I. INTRODUCTION**

2 This Complaint involves allegations that Independent Voices, an unincorporated  
3 association organized under Section 527 of the Internal Revenue Code, coordinated its  
4 communications with Boswell for Congress and Carl McGuire, in his official capacity as  
5 Treasurer, (the "Boswell Committee"), which resulted in an excessive in-kind  
6 contribution from Independent Voices to the Boswell Committee.

7 The Complaint was filed by a group of ten individuals who allegedly received a  
8 mailer from the Boswell Committee and three direct mail pieces from Independent

1   Voices within 90 days of the June 3, 2008 Iowa Primary election. Complainants allege  
2   that the mail pieces were sufficiently similar that it led them to conclude that the mailers  
3   were part of a coordinated communication effort between Independent Voices and the  
4   Boswell campaign. Complaint at ¶ 2. The Complaint provides copies of all four mail  
5   pieces as attachments and argues that there is reason to believe the communication efforts  
6   were coordinated because: 1) the mailers were received by the same group of  
7   constituents, 2) "similar phrasing, similar visual appearance and same typefaces" appear  
8   on all four mail pieces, and 3) the same mail house and printer were used for all of the  
9   direct mail pieces. *Id.* Finally, the Complaint alleges that the coordinated contributions  
10   resulted in an excessive in-kind contribution from Independent Voices to the Boswell  
11   Committee, which the committee knowingly accepted.

12         Respondents contend that the facts at hand do not meet the "conduct" prong of the  
13   coordination regulations set forth in 11 C.F.R. § 109.21(d). Specifically, Respondents  
14   deny that the mail pieces were part of a coordinated communication effort because: 1) the  
15   mailing lists were compiled independently and not using coordinated resources, 2) the  
16   mail pieces are substantively and visually different and decisions concerning content,  
17   design and typeface were not made in coordination with each other, and 3) there is no  
18   evidence supporting coordination based solely on the use of a common vendor for  
19   printing and mailing. Response of Boswell for Congress and Carl McGuire, in his  
20   official capacity as Treasurer ("Boswell Response") at 3-4. Consequently, Respondents  
21   argue there was no excessive in-kind contribution by Independent Voices to the Boswell  
22   Committee. *Id.* at 4; Independent Voices Response at 5.

Based on a thorough review of the Complaint, the Responses and other available information, we recommend the Commission find no reason to believe that Independent Voices violated 2 U.S.C. § 441a(a)(1) or that Boswell for Congress and Carl McGuire, in his official capacity as Treasurer violated 2 U.S.C. §§ 441a(f) and 434(b).

## **II. FACTUAL AND LEGAL ANALYSIS**

### **A. Factual Background**

Independent Voices distributed three direct mail advocacy communications during the 2008 primary season, which criticized the Democratic Primary opponent of Leonard Boswell, an incumbent candidate for Iowa's Third Congressional District. The Boswell Committee was Leonard Boswell's principal campaign committee. In its Response, Independent Voices submits declarations from its Chair, Red Brannan, and political consultant Jeff Link asserting that Independent Voices made three issue advocacy communications concerning crime and energy independence, which were not made in communication, cooperation or consultation with the Boswell Committee, and that the mail house and printer played no role in the content, intended audience, timing, means or mode of the direct mail communications. Independent Voices Response, Red Brannan Declaration ("Brannan Decl.") at ¶¶ 2, 5-6 and Jeff Link Declaration ("Link Decl.") at ¶¶ 2, 5-6. Both assert that all decisions for the Independent Voices mailers were made by Link and Brannan, that no Independent Voices employee or consultant had any discussions with Leonard Boswell, the Boswell Committee or any of their agents, and that the printer and mail house vendors provided no information material to the creation, production or distribution of the printed mailers for the Boswell campaign to Independent Voices or its agents. Brannan Decl. at ¶¶ 2, 5-6; Link Decl. at ¶¶ 2, 5-6.

1           The Boswell Committee states that it retained the Mack Crounse Group ("MCG")  
2 to perform direct mail consulting services for the Boswell campaign. Boswell Response  
3 at 1. MCG produced approximately eight direct mail pieces for the campaign in the 2008  
4 primary season, including one titled "Let Down," which was attached to the Complaint.  
5 Boswell Response, Affidavit of Jim Crounse ("Crounse Aff.") at ¶¶ 2-3. After MCG  
6 designed the "Let Down" mailer in consultation with the campaign, it sent the mailer to  
7 Carter Printing in Des Moines, Iowa for printing and mailing. *Id.* The Boswell  
8 Committee asserts that Carter Printing was selected because it is one of a few print shops  
9 that use union labor, which makes it a preferred printer for Democrats and progressive  
10 groups. Boswell Response at 4. Carter Printer printed the "Let Down" mailer, stamped it  
11 with the bulk mail printer number and indicia of its subcontractor, Data Solutions, and  
12 then shipped the mailers to Data Solutions for labeling and mailing. Boswell Response,  
13 Affidavit of Ron Hoyt ("Hoyt Aff.") at ¶ 2. The Boswell Committee asserts that it had no  
14 way of knowing that the three mail pieces sent by Independent Voices attacking Ed  
15 Fallon were also printed by Carter Printing, and also used Data Solutions' bulk mail  
16 permit number and indicia. Boswell Response at 4.

17           The Boswell Committee submitted the sworn affidavit of MCG President Jim  
18 Crounse, attesting that MCG, in cooperation with the Boswell Committee, made all  
19 decisions regarding the content, design and target audience of the "Let Down" mailer and  
20 all other mail pieces it produced for the Boswell campaign, that Carter Printing had no  
21 input into the content, design or target audience of the "Let Down" mailer, and that no  
22 MCG employee or consultant has had any material involvement with communications  
23 made by Independent Voices. Crounse Aff. at ¶¶ 2-5. The Boswell Committee also

1 submitted a sworn affidavit by Carter Printing President, Ron Hoyt, attesting that it is  
2 Carter Printing's practice to keep client information confidential and that Carter Printing  
3 did not convey or share any information about the "Let Down" mailer or any other  
4 Boswell direct mail pieces with Independent Voices or its consultant, the Strategy Group.  
5 Hoyt Aff. ¶ 5.

6 **B. Analysis**

7 The central issue in this matter is whether the Independent Voices mailers were  
8 coordinated with, and thus resulted in an excessive contribution to, the Boswell  
9 Committee. *See* 2 U.S.C. § 441a(a)(7)(B)(i); 11 C.F.R. § 109.21(b)(1). The FECA  
10 provides that a payment for a communication that is made by any person "in cooperation,  
11 consultation, or concert, with or at the request or suggestion of" a candidate constitutes an  
12 in-kind contribution to that candidate. *See* 2 U.S.C. § 441a(a)(7)(B)(i), 11 C.F.R. §  
13 109.21(b)(1). During the 2008 election cycle, the Act also prohibited Independent  
14 Voices from making or the Boswell Committee from knowingly accepting any  
15 contributions in excess of \$2300. 2 U.S.C. §§ 441a(a)(1) and 441a(f).

16 The Commission's regulations provide a three-prong test to determine whether a  
17 communication is coordinated.<sup>1</sup> All three prongs of the test must be satisfied to support a

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<sup>1</sup> After the decision in *Shays v. FEC*, 414 F.3d 76 (D.C. Cir. 2005) (Court of Appeals affirmed the District Court's invalidation of the fourth, or "public communication," content standard of the coordinated communications regulation), the Commission made revisions to 11 C.F.R. § 109.21 that became effective July 10, 2006. In a subsequent challenge by Shays, the U.S. District Court for the District of Columbia held that the Commission's content and conduct standards of the coordinated communications regulation at 11 C.F.R. § 109.21(c) and (d) violated the Administrative Procedure Act; however, the court did not vacate the regulations or enjoin the Commission from enforcing them. *See Shays v. FEC*, 508 F.Supp.2d 10, 70-71 (D.D.C. Sept. 12, 2007) (granting in part and denying part the respective parties' motions for summary judgment). Recently, the D.C. Circuit affirmed the district court with respect to, *inter alia*, the content standard for public communications made before the time frames specified in the standard, and the rule for when former campaign employees and common vendors may share material information with other persons who finance public communications. *See Shays v. FEC*, 528 F.3d 914 (D.C. Cir. 2008). This decision does

1 conclusion that a coordinated communication occurred. 11 C.F.R. § 109.21(a); *see also*  
2 Explanation and Justification for Regulations on Coordinated and Independent  
3 Expenditures, 68 Fed. Reg. 772 (Jan. 3, 2003).

4 The first prong of the test provides that the communication must be paid for by a  
5 person other than the Federal candidate, the candidate's authorized committee, or  
6 political party committee, or any agent of the foregoing. *See* 11 C.F.R. § 109.21(a)(1).  
7 The first prong of the coordination test is met because Independent Voices paid for the  
8 three direct mail communications. Independent Voices Response at 4.

9 The second prong of the coordination test requires that a communication must  
10 satisfy one of the "content" standards in 11 C.F.R. § 109.21(c), which include, among  
11 other things, a public communication that refers to a clearly identified candidate and is  
12 publicly distributed 90 days or fewer prior to a primary election, which is directed to  
13 voters in the jurisdiction of the clearly identified candidate. 2 C.F.R. § 109.21(c)(4)(i).  
14 The "content" standard is met here because the Independent Voices direct mail  
15 communications clearly identified House candidate, Ed Fallon, and were distributed in  
16 the candidate's jurisdiction within 90 days of the primary election. Independent Voices  
17 Response at 4.

18 The third prong of the coordination test requires that the parties have engaged in  
19 conduct that meets any of the six following standards: (1) the communication is created,  
20 produced or distributed at the request, suggestion or assent of a candidate, his authorized  
21 committee, a political party or an agent of any of the foregoing; (2) the candidate or

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not impact this matter, however, because the communication at issue meets other parts of the content  
standard which the appellate court did not criticize or invalidate.

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1 authorized committee is materially involved in decisions regarding the content, intended  
2 audience, means or mode of communication; (3) there is substantial discussion about the  
3 communication between the person paying for the communication and the candidate.  
4 authorized committee, political party or agent of the campaign; (4) the person paying for  
5 the communication and the campaign share certain types of common vendors who use or  
6 convey information about the candidate's plans, projects, activities or needs, in the  
7 creation, production or dissemination of the communication; (5) the communication is  
8 paid for by a person or by the employer of a person who was an employee or independent  
9 contractor of the candidate; and (6) the dissemination, distribution or republication of the  
10 campaign materials occurs under circumstances that reflect agreement or formal  
11 collaboration between the candidate or his committee and other party. 11 C.F.R.  
12 § 109.21(d)(1)-(6).

13 Respondents argue that none of the tests for the "conduct" prong of the  
14 coordination test have been met. Boswell Committee Response at 3-4; Independent  
15 Voices Response at 4. The Complaint's allegations of coordination rely solely on an  
16 alleged similarity in appearance between the "Let Down" mailer and the three  
17 Independent Voices mailers, corresponding bulk mailing permit number and indicia, and  
18 common mail house and printer vendors. Respondents provided comprehensive  
19 responses that address each element of the tests for coordinated communications. For the  
20 reasons discussed below, we conclude that there is insufficient support for Complainants'  
21 claim because the circumstances do not suggest that the requirements of the "conduct"  
22 prong of the coordination test may have been met. See, e.g., Factual and Legal Analysis  
23 dated 12/12/06 in MUR 5754 (MoveOn.org Voter Fund) (finding no reason to believe

1 coordination between MoveOn.org and John Kerry for President Inc. had occurred  
2 because there was no specific information that suggested the conduct prong had been  
3 triggered).

4 Nothing in the content or appearance of the mailers indicates there was material  
5 involvement or other coordination of the message between the Boswell Committee and  
6 Independent Voices. The mailers by Independent Voices and the Boswell Committee  
7 address different substantive issues and use different fonts, graphics, pictures and  
8 newspaper quotes; the only stylistic similarity is that all of the mailers appear on 8 ½ by  
9 11 inch paper. See Complaint, Attachments 1-4. The Boswell Committee mailer  
10 addresses Ed Fallon's support of Ralph Nader in the 2000 Presidential election, while the  
11 Independent Voices mailers address issues of crime and energy independence. *Id.*  
12 Respondents provide statements from the consultants who designed their mailers, which  
13 affirm that the direct mail pieces were entirely designed without coordination or  
14 cooperation from each other. See Crounse Aff. ¶¶ 2, 5 and Link Decl. ¶¶ 4, 6.

15 The mere fact that the Boswell Committee and Independent Voices used two  
16 common vendors, Carter Printing and Data Solutions, is noteworthy and accounts for the  
17 fact that the mailers contain the same postage permit number and indicia; but is not  
18 sufficient to establish coordination by itself. 11 C.F.R. § 109.21(d)(4). The coordination  
19 test requires that the common vendor perform one of the services specifically enumerated  
20 in 11 C.F.R. § 109.21(d)(4)(ii). These services include: development of a media strategy,  
21 selection of an audience, polling, fundraising, developing the content of a  
22 communication, producing the communication, identifying voters or developing voter  
23 lists, selecting personnel, or consulting or otherwise providing political or media advice.



1 11 C.F.R. § 109.21(d)(4)(ii). Thus, the use of a common vendor, in and of itself, has not  
2 been found by the Commission to be sufficient to meet the "conduct" prong of the  
3 coordination test. *See, e.g.*, Factual and Legal Analysis in MUR 5609 (Club for Growth)  
4 (finding no RTB where common vendor activities did not meet the "conduct" standard);  
5 Factual and Legal Analysis in MUR 5691 (Whalen); Factual and Legal Analysis in MUR  
6 5576 (New Democrat Network).

7 MCG President Crounse explains that MCG provided all direct mail consulting  
8 services for Boswell Committee in the 2008 campaign and that all decisions regarding the  
9 content, design and target audience for "Let Down" were made by MCG in consultation  
10 with the Boswell Committee. Crounse Aff. ¶ 2. Crounse and Carter Printing President,  
11 Jim Hoyt, affirm that MCG contracted with Carter Printing to print and mail direct mail  
12 pieces, including the "Let Down" mailer because, as a union shop, Carter Printing is a  
13 preferred vendor for Democrat and progressive organizations. Boswell Committee  
14 Response at 3-4, Independent Voices Response at 2-3. Respondents declare that Carter  
15 Printing kept the Boswells Committee's information confidential, and did not have any  
16 material involvement or share information with Independent Voices, or its agents,  
17 regarding any mail pieces or public communications produced by the Boswell  
18 Committee. Crounse Aff. ¶¶ 2-5, Hoyt Aff. ¶¶ 2-4.

19 Respondents submit Affidavits and Declarations, which attest that neither Carter  
20 Printing nor Data Solutions performed any of the services required by the "conduct"  
21 standards. Crounse Aff. ¶¶ 2-3; Hoyt Aff. ¶ 4; Link Decl. ¶¶ 3-6; Brannan Decl. ¶¶ 3-6.  
22 Carter Printing printed the direct mail pieces and Data Solutions labeled and mailed the  
23 pieces, but neither vendor was involved in any substantive way in the developing the

1 content, identifying the voters to be included in the distribution list or providing any other  
2 consulting, political or media advice to the Boswell Committee or Independent Voices.  
3 Crounse Aff. ¶¶ 2-3; Hoyt Aff. ¶ 4; Link Decl. ¶¶ 3-6; Brannan Decl. ¶¶ 3-6. Moreover,  
4 neither vendor had any material involvement or shared information about the Boswell  
5 Committee with Independent Voices in the production of its direct mail pieces. Crounse  
6 Aff. ¶¶ 2-3; Hoyt Aff. ¶ 4; Link Decl. ¶¶ 3-6; Brannan Decl. ¶¶ 3-6. Absent any  
7 indication that the common vendors may have either participated in developing the  
8 content of the direct mail communications or "conveyed material information about the  
9 candidate to the entity paying for the communication(s)," both of which are expressly  
10 denied here, and we have no information suggesting otherwise, there is insufficient  
11 information to support an investigation into the allegations in the Complaint. 11 C.F.R. §  
12 109.21(d)(4)(ii) & (iii).

13 Based on the available information, we recommend the Commission find no  
14 reason to believe that Independent Voices violated 2 U.S.C. § 441a(a)(1) by making an  
15 excessive in-kind contribution. Moreover, we recommend the Commission find no  
16 reason to believe that the Boswell for Congress and Carl McGuire, in his official capacity  
17 as Treasurer, violated 2 U.S.C. §§ 441a(f) and 434(b) by knowingly accepting and failing  
18 to report an excessive in-kind contribution from Independent Voices.

19 **III. RECOMMENDATIONS**

- 20 1. Find no reason to believe that Independent Voices violated 2 U.S.C.  
21 § 441a(a)(1) by making an excessive in-kind contribution;  
22  
23 2. Find no reason to believe that Boswell for Congress and Carl McGuire, in his  
24 official capacity as Treasurer, violated 2 U.S.C. §§ 441a(f) and 434(b) by  
25 knowingly accepting and failing to report an excessive an in-kind  
26 contribution;

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3. Approve the attached Factual and Legal Analysis;
4. Approve the appropriate letters; and
5. Close the file.

Thomasenia P. Duncan  
General Counsel

Date

1/23/09

BY:

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